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ALSTON & BIRD LLP
BANK OF AMERICA PLAZA
101 SOUTH TRYON STREET, SUITE 4000
CHARLOTTE, NC 28280-4000

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JAY S. WALKER, JAMES A. JORASCH,
and ANDREW S. VAN LUCHENE

Appeal 2016-004236¹
Application 11/410,342²
Technology Center 3600

Before ANTON W. FETTING, CYNTHIA L. MURPHY, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final rejection of claims 115–146. We have jurisdiction under 35 U.S.C. § 6(b).

An Oral Hearing was held July 11, 2017.

We AFFIRM.

¹ Our decision references Appellants' Appeal Brief ("Appeal Br.," filed August 6, 2015) and Reply Brief ("Reply Br.," filed March 10, 2016), the Examiner's Answer ("Ans.," mailed January 11, 2016), and Final Office Action ("Final Act.," mailed March 6, 2015).

² Appellants identify Groupon, Inc., as the real party in interest (Appeal Br. 2).

CLAIMED INVENTION

Appellants' claims relate "to a system and method that enables the establishment of prices for products via a network and the subsequent acquisition of such products from local retailers that honor the established prices" (Spec. 1, ll. 6–8).

Claims 115, 116, and 140 are the independent claims on appeal. Claim 115 reproduced below, with minor formatting changes and added bracketed notations, is illustrative of the subject matter on appeal:

115. An apparatus, comprising:

- [a] a processor; and
- [b] a memory operatively connected to the processor, the memory storing instructions that when executed by the processor cause the apparatus to:
 - [c] receive, from a handheld device operated by a buyer, a request to purchase a product at a first price established by the manufacturer of the product;
 - [d] identify a store locations list including store locations in the geographic area of the buyer that have the product in stock;
 - [e] select a store location from the store locations list, wherein the selected store location offers the product for a second price different than the first price;
 - [f] transmit, to the handheld device operated by the buyer, information that enables the buyer to physically acquire the product at the store location in exchange for providing payment of the first price.

REJECTION

Claims 115–146 are rejected under 35 U.S.C. § 101 as directed to non-statutory subject matter.

ANALYSIS

Non-statutory subject matter

Appellants argue claims 115–146 as a group (*see* Appeal Br. 6–16). We select claim 115 as representative. Claims 116–146 stand or fall with independent claim 115. *See* 37 C.F.R. § 41.37(c)(1)(iv).

Alice Corp. Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014) identifies a two-step framework for determining whether claimed subject matter is judicially-excepted from patent eligibility under § 101.

According to *Alice* step one, “[w]e must first determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice*, 134 S. Ct. at 2355.

The “directed to” inquiry []cannot simply ask whether the claims *involve* a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions *involves* a law of nature and/or natural phenomenon—after all, they take place in the physical world. *See Mayo*, 132 S. Ct. at 1293 (“For all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.”) Rather, the “directed to” inquiry applies a stage-one filter to claims, considered in light of the specification, based on whether “their character as a whole is directed to excluded subject matter.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015); *see Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1375 [] (Fed. Cir. 2016) (inquiring into “the focus of the claimed advance over the prior art”).

Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1335 (Fed. Cir. 2016). “The ‘abstract idea’ step of the inquiry calls upon us to look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Texas, LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (citing *Elec. Power*

Grp., LLC v. Alstom S.A., 830 F.3d 1350, 1353 (Fed. Cir. 2016); *see also Enfish*, 822 F.3d at 1335.

In rejecting claims 115–146, the Examiner finds the claims “are directed to purchasing a product, which is an abstract idea because purchasing a product is a fundamental economic practice” (Final Act. 2; *see also* Ans. 2). The Examiner also finds

the claim elements, considered separately and as an ordered combination, do not provide an improvement to another technology or technical field; do not provide an improvement to the functioning of the computer itself; do not apply the judicial exception by use of a particular machine; do not effect a transformation or reduce a particular article to a different state or thing; and do not add a specific limitation other than what is well-understood, routine and conventional in the operation of generic computer.

(Final Act. 4–5; *see also* Ans. 2–4).

Appellants argue that the Examiner errs in rejecting claims 115–146 as directed to ineligible subject matter because exemplary independent “claim 115 is not ‘directed to’ ‘purchasing a product’ or ‘purchasing a product in exchange for payment,’ because those features are not ‘recited (i.e., set forth or described)’ in the claim itself” (Reply Br. 5–6; *see also* Appeal Br. 6–7). Appellants further argue that the Examiner’s rejection is improper “[b]ecause no evidence has been presented for many of the underlying factual findings underlying the conclusion of ineligibility” (Reply Br. 3–4, 9–10; *see also* Appeal Br. 14). Appellants’ arguments are not persuasive.

By way of background, the Examiner finds the claims are “directed to purchasing a product, which is an abstract idea because it is similar to the

fundamental economic practice at issue in *Bilski* and *Alice Corp.* (Ans. 2).

In making this determination, the Examiner observes that

[independent claim] 115 explicitly recites “ . . . a request to purchase a product at a first price . . . ” and “ . . . acquire the product at the store location in exchange for providing payment of the first price.” The examiner interprets these limitations to mean purchasing a product in exchange for a payment, which is an abstract idea because it is a fundamental economic practice.

(*Id.* at 4). And, after considering what the claims are directed to, the Examiner finds independent claim 115 “recites the additional limitations of a processor, memory, and a handheld device” (*id.* at 2), i.e., “generic computer components that are claimed to perform their basic functions of processing, storing, receiving, transmitting, and displaying data through a program that implements the abstract idea” (*id.* at 3). Thus, we determine initially the Examiner has adequately articulated what abstract idea the claims are directed to. We acknowledge that the claims are not as broad as the abstract idea articulated by the Examiner, but this does not alter the result.³ In fact, as discussed below, the Specification underscores the breadth and abstract nature of the idea embodied by the claims.

To the extent Appellants argue that the Examiner erred in adequately supporting or explaining this determination by providing evidence (*see* Reply Br. 10–11), we are unpersuaded. In this regard, there is no requirement that examiners must provide evidentiary support in every case before a conclusion can be made that a claim is directed to an abstract idea. *See, e.g.*, para. IV “July 2015 Update: Subject Matter Eligibility” to 2014

³ We also note that “an abstract idea can generally be described at different levels of abstraction.” *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1240 (Fed. Cir. 2016).

Interim Guidance on Subject Matter Eligibility (2014 IEG), 79 Fed. Reg. 74618 (Dec. 16, 2014)

The courts consider the determination of whether a claim is eligible (which involves identifying whether an exception such as an abstract idea is being claimed) to be *a question of law*. Accordingly, courts do not rely on evidence that a claimed concept is a judicial exception, and in most cases resolve the ultimate legal conclusion on eligibility without making any factual findings.

(*Id.* (emphasis added)). We agree that evidence may be helpful in certain situations where, for instance, facts are in dispute. But it is not always necessary. Based on the above analysis set forth by the Examiner, we are unpersuaded it is necessary in this case.

Instead, we need only look to other decisions where similar concepts were previously found abstract by the courts. *See Amdocs (Israel) Limited v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016) (“Instead of a definition [for what an ‘abstract idea’ encompasses], then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided.”)

To that end, as noted above, the Examiner finds exemplary independent claim 115 recites “generic computer components” (Ans. 3) to perform the “basic functions of processing, storing, receiving, transmitting, and displaying data through a program that implements the abstract idea” (*id.*). Broadly, we agree that the Examiner is correct.

Here, independent claim 115 recites “[a]n apparatus” including “a processor” and “memory storing instructions that when executed by the processor cause the apparatus to: receive . . . a request to purchase a

product,” “identify . . . store locations . . . that have the product in stock,” “select a store location . . . [that] offers the product,” and “transmit . . . information that enables the buyer to physically acquire the product.” And, according to the Specification,

the present invention provides a system and a process whereby a customer can examine merchandise information posted on a web site, receive a list of stores which have either the customer’s desired product in stock or that typically stock the product, and pick up that product at a designated local store

(Spec. 7, ll. 16–19).

In this regard, we find that the claims are more precisely directed to enabling the purchase of a product at a particular price established by a manufacturer, although we do not discern that any gap between this finding and that of the Examiner is of any substantive significance. Furthermore, we are persuaded that either articulation of what the claims are “directed to” is a fundamental economic practice, in that it is analogous to the concept of intermediated settlement in *Alice*, and the concept of risk hedging in *Bilski v. Kappos*, 561 U.S. 593 (2010), and, thus, is an abstract idea beyond the scope of § 101. See *Alice Corp.*, 134 S. Ct. at 2356; *Bilski*, 561 U.S. at 611.

We also note the claim instructions for “receiv[ing],” “identify[ing],” “select[ing],” and “transmit[ting]” information is similar to the steps that the Federal Circuit determined were patent ineligible in *Electric Power*. In *Electric Power*, the method claims at issue were directed to performing real-time performance monitoring of an electric power grid by collecting data from multiple data sources, analyzing the data, and displaying the results. *Elec. Power Grp., LLC*, 830 F.3d at 1351–52. The Federal Circuit held that the claims were directed to an abstract idea, explaining that “[t]he advance

they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions.” *Id.* at 1354.

Accordingly, we find that independent claim 115 involves nothing more than “receiv[ing],” “identify[ing],” “select[ing],” and “transmit[ing]” information — activities squarely within the realm of abstract ideas. *See, e.g., Elec. Power Grp., LLC*, 830 F.3d at 1353–54 (when “the focus of the asserted claims” is “on collecting information, analyzing it, and displaying certain results of the collection and analysis,” the claims are directed to an abstract idea). *See also Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” not patent eligible).

Step two is “a search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (alteration in original) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012)).

And, similar to the situation in *Electric Power*, we find nothing sufficient to remove the claims from the class of subject matter ineligible for patenting. As the court explained in *Electric Power*, “merely selecting information, by content or source, for collection, analysis, and display does

nothing significant to differentiate a process from ordinary mental processes, whose implicit exclusion from § 101 undergirds the information-based category of abstract ideas.” *Elec. Power Grp.*, 830 F.3d at 1355.

Here, as the Examiner points out, independent claim 115 utilizes “generic computer components that are claimed to perform their basic functions of processing, storing, receiving, transmitting, and displaying data through a program that implements the abstract idea” (Ans. 3), “and do[es] not add a specific limitation other than what is well-understood, routine and conventional in the operation of generic computer” (*see* Final Act. 5). Thus, the steps recited by independent claim 115 amount to nothing more than mere instructions to implement the abstract idea on a computer—none of which add inventiveness because they merely require the application of conventional, well-known analytical steps. *See Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014) (“[T]he claimed sequence of steps comprises only ‘conventional steps, specified at a high level of generality,’ which is insufficient to supply an ‘inventive concept.’”) (Citing *Alice*, 134 S. Ct. at 2357) (internal citations omitted).

Here, Appellants argue that independent claim 115 recites “‘identifying a store locations list including stores in the geographic area of the buyer that have the product in stock,’ ‘selecting a store location from the store locations list,’ and ‘transmitting . . . information that enables the buyer to physically acquire the product at the store location’” (Reply Br. 2), and as such, “it is impossible to arrive at a supportable conclusion that the claims do not recite ‘significantly more’ than ‘purchasing a product’” (*id.* at 3). However, there is no indication in the record that any specialized computer hardware or other “inventive” computer components are required to perform

these any of these steps in the claim. In fact, the Specification discloses that “[t]he component parts forming system 100 will be readily understood by those skilled in the art of credit card processing and computer data processing systems. Accordingly, for purposes of brevity, detailed discussions of such component parts are omitted” (Spec. 13, ll. 21–23). Thus, each limitation does no more than require a generic computer to perform generic computer functions.

And, considered as an ordered combination, the computer components of Appellants’ independent claim 115 add nothing that is not already present when the limitations are considered separately. Viewed as a whole, Appellants’ claims simply recite the concept of enabling the purchase of a product at a particular price established by a manufacturer using instructions executed by a processor (*see* Appeal Br. 17 (Claims App’x.)).

The claims do not, for example, purport to improve the functioning of the computer itself or involve a solution necessarily rooted in computer technology to overcome a problem specific to the realm of computer networks, but instead embodies the use of generic computer components in a conventional manner to perform an abstract idea, which, as the Court in *DDR Holdings* explained, is not patent eligible. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014) (“[T]hese claims in substance were directed to nothing more than the performance of an abstract business practice on the Internet or using a conventional computer. Such claims are not patent-eligible.”). Nor do the claims effect an improvement in any other technology or technical field. Instead, the claims at issue amount to nothing significantly more than an instruction to apply the abstract idea of enabling the purchase of a product, i.e., receiving,

identifying, selecting, and transmitting information, which under our precedents, is not enough to transform an abstract idea into a patent-eligible invention. *See Alice*, 134 S. Ct. at 2360.

Appellants “the independent claims recite only a narrow subset of all possible scenarios involving ‘purchasing a product,’ and thus cannot reasonably be interpreted as disproportionately tying up the use of the concept of ‘purchasing a product’” (Appeal Br. 10). However, Appellants’ preemption argument does not alter our § 101 analysis. Preemption concerns are fully addressed and made moot where a patent’s claims are deemed to disclose patent ineligible subject matter under the two-part framework described in *Mayo* and *Alice*. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). “While preemption may signal patent ineligible matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.*

To the extent Appellants argue that the Examiner erred in relying on *Ariosa v. Sequenom* to address Appellants’ arguments “regarding whether the claims preempt a judicial exception” (Reply Br. 6 (citing Ans. 5)), we are unpersuaded. The difficulty with this argument is that it confuses the pre-emption concern with the level of abstraction describing the abstract idea. Here, with respect to the pre-emption concern, “[w]hat matters is whether a claim threatens to subsume the full scope of a fundamental concept, and when those concerns arise, we must look for meaningful limitations that prevent the claim as a whole from covering the concept’s every practical application.” *CLS Bank Int’l. v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1281 (Fed. Cir. 2013) (Lourie, J., concurring).

Appellants last argue that the Examiner “agrees that the claimed features, in combination, cannot be found in the prior art” (Appeal Br. 11), and as such, “the claims recite an ‘inventive concept’ necessary to satisfy Step 2” (*id.*; *see also id.* at 15–16). However, to the extent Appellants argue that the claims necessarily contain an “inventive concept” based on their alleged novelty and non-obviousness over the cited references, Appellants misapprehend the controlling precedent. That is, although the second step in the *Alice/Mayo* framework is termed a search for an “inventive concept,” the analysis is not an evaluation of novelty or non-obviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355. A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1304.

The remaining arguments have been considered but found unpersuasive.

In view of the foregoing, we sustain the Examiner’s rejection under 35 U.S.C. § 101 of independent claim 115, and claims 116–146, which fall with independent claim 1.

DECISION

The Examiner’s rejection of claims 115–146 under 35 U.S.C. § 101 is affirmed.

Appeal 2016-004236
Application 11/410,342

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED